South Saskatchewan Hospital Centre 1990/91 Annual Report

92-05066/

Mission Statement:
The mission of the South Saskatchewan Hospital Centre is to provide the highest possible standard of health care, and encourage multi-disciplinary participation and teamwork within an environment of compassion, knowledge, experience and trust.

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Ronald E. Shirkey, Q.C.

Harvey H. Fox

A Year in Review

It is our pleasure to report on selected activities within the South Saskatchewan Hospital Centre during the fiscal year 1990-91. The initiatives reported in the previous year's annual report were further developed throughout this reporting period and will be addressed in the initial portion of this article.

The Hospital Information System took great strides toward reality during the year with the selection of a vendor – Westbridge Computer Corporation, in partnership with Science Applications International Corporation (SAIC) and Digital Corporation. Detailed project planning and contract negotiations commenced and, by year end, the official signing of the contract was imminent. Together with representatives of the vendor, SSHC personnel developed criteria necessary for the interaction of specific departments with the overall system. All indications are that the initial phase of implementation – Patient Registry System – will be functioning within the coming year.

The Regina Hospital Service and Bed Requirements Study, a project commissioned by Saskatchewan Health and the Regina health-care facilities, was discontinued in the fall. Alternative methods to re-establish the study were reviewed by the government and the Regina Hospitals Executive Planning Committee; revised terms of reference were developed and a three person consultant panel was appointed. This group is to provide guidance in developing plans for the current and future health-care needs of the community and surrounding area. Named the "Regina Hospitals Program Planning Study", the report was expected to be completed by late summer.

Meanwhile, work continued throughout the year on seeking approval to further develop several projects - namely, the Critical Care/Emergency Expansion and Fire Safety/Asbestos removal at the Plains Health Centre. Similar approvals to proceed with the Geriatric Program at Pasqua Hospital were sought and approval was received to initiate the planning stage for the Geriatric Assessment Unit.

A major event of the year was the official opening of the new Pediatric Unit at Pasqua Hospital in January. This 25 bed unit was specifically designed to incorporate the needs of the patients, their families and the staff. Utilizing primary colors, the unit features a play area, geometric designs, and an open, bright atmosphere to achieve a relaxed, comfortable feeling for all who use the facility.

The Canadian Health Facilities Accreditation team surveyed Pasqua Hospital in April 1990. The Board and Administration were pleased to receive a three year accreditation.

The South Saskatchewan Hospital Centre Pharmacy Residency Program was accredited for two years and the Physical Therapy Departments received a three year accreditation.

The Board and Administration congratulate the department heads, staff and medical staff for their significant efforts which contribute to these successful accreditation surveys.

The report of the Saskatchewan Commission on Future Directions in Health Care was received. A response to the recommendations contained in the report was prepared on behalf of the South Saskatchewan Hospital Centre and submitted to the Minister of Health.

The first combined meeting of the Joint Conference Committees of Pasqua Hospital and Plains Health Centre was held in December 1990. Twice yearly meetings of these committees are planned to discuss matters of mutual interest affecting both facilities.

The Board was pleased to approve the performance of Laparoscopic Cholecystectomy procedures at the Centre resulting in less discomfort for the patient and a shorter hospital stay.

An announcement by the Government that funding for health care would amount to a 1.5% annual increase for 1991/92 caused considerable concern. As year end approached, all facets of the Centre's operations were reviewed in order to develop a Management Plan that would produce an overall decrease of 4% - 5% in annual expenditures.

Maintaining a high standard of patient care was our ultimate concern. Approaches that would utilize increased day surgery and outpatient programs were key elements of the discussions in preparing the Management Plan as well as developing Utilization Management processes and bed closures.

The cooperation, dedication and support shown by all hospital personnel and medical staff left no doubt that every effort would be made to achieve the goals set out in the Management Plan ensuring the fiscal year ended on a positive note.

Our accomplishments throughout the year are many. They could not have been achieved without the loyalty and dedication of all the individuals working in the Centre who serve their fellow man with compassion, knowledge, experience and trust.

Sincere appreciation is extended to the members of the Auxiliary and Volunteer groups who also give so much of their time to contribute to the well-being of our patients.

Ronald E. Shirkey, Q.C.
Chairman, Board of Governors

Harvey H. Fox
Executive Director

The Board of Governors

Ronald E. Shirkey, Q.C. - Chairman
Dr. Reid Robinson - Vice Chairman
Robert Fielding
Keith Laxdal
Jean Mahoney
Dr. Ian McDonald
Caroline McGillivray
Dr. Stewart McMillan
William Paterson
Olga Stinson
Michael Westrum
Martha Wettstein
William Wheatley
Wolfgang Wolff
Glenda Yeates

Senior Management Group

Harvey H. Fox - Executive Director
Bernie McCallion - Administrator, Pasqua Hospital
Dick Chinn - Administrator, Plains Health Centre
Bob Allen, Assistant Administrator, Pasqua Hospital
Rita Folk - Assistant Administrator, Pasqua Hospital
Chris Histed - Administrative Assistant, Pasqua Hospital
Roberta Mireau - Assistant Administrator, Plains Health Centre
Linda Zordel - Assistant Administrator, Plains Health Centre
John Allen - Director of Finance
Ruth Lawrence - Director of Public Relations & Development
Jim Morris - Director of Planning & Systems
Jacques Pelletier - Director of Personnel

*at March 31, 1991

Our Mission ... Quality

The Mission of the South Saskatchewan Hospital Centre is to provide the highest possible standard of health care, and encourage multi-disciplinary participation and teamwork within an environment of compassion, knowledge, experience and trust. The heart of this Mission is a commitment to "quality".

As we enter the 1990's, the major focus of the S.S.H.C. will be on the provision of quality services in all aspects of our operations. Private sector companies have demonstrated the benefits of building corporate cultures which have made quality their driving force. Quality in these organizations is pre-occupied with meeting or exceeding customer expectations each and every time.

A unique challenge for the South Saskatchewan Hospital Centre is to maximize the benefits we can provide our patients through our two divisions - Pasqua Hospital and Plains Health Centre - united under the governance of one Board of Governors.

A "quality focus" for the Centre will mean all staff concentrating on the way services are provided to our patients, and to the departments which they serve within the organization. Positive outcomes can only be demonstrated through measurement; therefore, all processes must be tied to particular outcome measures to ensure we are meeting or exceeding our "customer" expectations — 100% of the time.

Striving for continuous improvement in everything we do offers several rewards. We will provide more efficient and effective services to our patients and visitors as we streamline our method of operation. Our analysis of processes will cause many specialized disciplines within the Centre to come together to discuss ways in which change can be introduced to further improve identified desired outcomes. A by-product of this approach will be a decrease in duplication and gradual extinction of activities which do not add any value for the patients or the Centre. Our patients and our staff will benefit through the creation of a better working environment. Costs for services will also decrease as quality continues to improve as we focus our energy more productively in our institutions.

The advantages of promoting this type of corporate culture expand when you are dealing with a multi-hospital complex. The elimination of non value-added activities on a Centre-wide basis has the potential to compound cost reductions and enhance the effectiveness and efficiency of services on a grander scale.

Our Mission, as outlined, is essentially to foster a corporate culture which is customer and quality driven. It is our intention to enhance our commitment to quality so that in the years to come the people we serve in Southern Saskatchewan will continue to receive the best care possible for their health-care dollar.

A Catalyst for Change

As the South Saskatchewan Hospital Centre continues to plan for the future, new methods of doing things must be explored - methods which are more efficient in both time and cost but still maintain or improve the quality of care for our patients. Information processing is one means of making the Centre more efficient. Information processing involves the collection, storage, retrieval and analysis of data but the key to success is the management of information. Information enhances knowledge and knowledge is power. The quest for information is not new. What is new is the method and speed by which information is processed and communicated.

Health care institutions have evolved into extremely complex operations. The delivery of health care is "information intensive" and detailed records are maintained on every aspect of the operation. Health care facilities, like any other business, must evolve and adjust to changing needs, new technologies and new approaches to "getting the job done". They must be able to justify their performance in the delivery of quality patient care in a time of decreased revenue and increased expenses. Manual information systems will not satisfy future requirements for patient and management information on a timely cost-effective basis.

It was a strategic decision by the South Saskatchewan Hospital Centre to acquire the tools of computerized technology. In this world of fast-paced change, information systems are a necessity for organizations to manage effectively. The Centre has embraced technology as a means to enhance productivity within the hospitals and to help facilitate desired change.

A fully integrated Hospital Information System, encompassing both divisions, has been selected to help meet the present and future informational needs of the Centre. Our goal is "to ensure that the South Saskatchewan Hospital Centre takes full advantage of computer based technology to improve and expand the hospitals' ability to effectively and efficiently process information for the purpose of improving patient care".

There will be standard applications between the two facilities. The strengths of these facilities will be enhanced and their unique requirements and traditions preserved. The Hospital Information System will integrate clinical, administrative and financial data. Increased resource sharing and reduced duplication of specialized services will result in the delivery of cost-effective care. A Centre-wide perspective will be maintained.

Information systems are catalysts for change. The impact of the Hospital Information System on the organization is already evident. Both divisions are on the road to the successful development of their program needs. Teamwork and a cooperative working environment have emerged as the keys to fulfilling the Centre's mission.

As each application is implemented, the hospitals' users will progressively benefit from timely and accurate information. As the System evolves, there will be the ability to gather and analyze significant amounts of information for detailed reports and statistics.

The South Saskatchewan Hospital Centre will attain many benefits from a totally integrated Hospital Information System, some more measureable than others. For example:

- Physicians, nurses and other health-care professionals will be able to provide better patient care with the accurate, up-to-the minute information that will be available.
- The information will be more reliable because of standard terminology, increased legibility and the reduction of error, duplication and omission.
- A common data base will allow for instant distribution of information resulting in improved communication.
- Automated monitoring and recording of patient care will result in increased direct patient care.
- Waste reduction will be seen in decreased paperwork, decreased time necessary for manual tasks, decreased risk of lost paperwork and specimens, decreased phone calls and clerical requirements.
- The Hospital Information System will allow for sharing and analysis of data between departments as well as between the two divisions of the Centre.
- The System will assist management to anticipate the potential impact of changes in the future and to move towards quality improvement and outcome measurement.

One thing is consistent ... the process of change. Computerization will streamline and contribute significantly to the goals and efficiency of the Centre. Managers will gain more control over their resources and the ability to make adjustments to the allocation and utilization of these resources in shorter periods of time. The organization will be completely networked and the Information System will integrate all functions including electronic mail, voice, image and text. Much of the information generated will be used internally to improve the quality of patient care but a considerable amount of information will be processed to serve the needs of various external agencies such as other health-care facilities, government agencies and the community.

The vision of the South Saskatchewan Hospital Centre of providing quality health care and incorporating the technology of an integrated Hospital Information System, is becoming a reality for the public we serve.

"Gratitude to benefactors is a well-recognized virtue, and to express it in some form or other, however imperfectly, is a duty to ourselves as well as to those who have helped us."
Frederick Douglass (1817 - 1895)

Friends ... Are People Who Care

The gratitude of everyone associated with the South Saskatchewan Hospital Centre including the patients we serve is extended to the thousands of people who annually contribute gifts to the Pasqua Hospital and Plains Health Centre to help us achieve our goal of providing quality care in time of need.

Contributions of over $600,000 in this fiscal year have assisted in the purchase of equipment and furnishings in many areas of the hospitals. Through the generosity of these very special people, we were able to acquire equipment for the following areas: Coronary Care Unit, Physical Therapy, Occupational Therapy, Operating Rooms, Pediatrics, Gastroenterology Investigation Unit and Ophthalmology, as well as furnishings for patient rooms.

The Board of Governors and Administration gratefully acknowledge all gifts and extend a heartfelt "Thank You" to our special friends for their generosity, continued interest in and support of our work.

We would be remiss if we did not acknowledge also the contributions made to the South Saskatchewan Hospital Centre through the work of the Hospitals of Regina Foundation. The public support of the Foundation's projects has further assisted the hospitals in their efforts to keep pace with modern technology.

YOU MAKE A DIFFERENCE - SO WE CAN MAKE A DIFFERENCE FOR YOU.

Medical Staff

Medical Advisory Committees		
Chief of Staff and Chairperson	Dr. B.W. Laursen	(PH)
Deputy Chief of Staff and Vice Chairperson	Dr. M.H. Malik	(PH)
Chairperson	Dr. G. White	(PHC)
Vice Chairperson	Dr. R. McKay	(PHC)
Officers of the Medical Staff Organizations		
President	Dr. B. Barootes	(PHC)
	Dr. D.F. Duguid	(PH)
Vice President	Dr. N. Habib	(PHC)
	Dr. S.L. Tomkins	(PH)
Secretary Treasurer	Dr. J. Dobson	(PHC)
	Dr. F.J. Frederick	(PH)
Heads of Departments		
Anaesthesia	Dr. J. Chan	(PHC)
	Dr. D.G. McAlpine	(PH)
Cancer Services	Dr. G.H. Ewing	(PH)
Emergency Department	Dr. J.C. O'Carroll	(SSHC)
Family Medicine	Dr. B.W. Laursen	(PH)
	Dr. G. White	(PHC)
Medicine	Dr. R. McKay	(PHC)
	Dr. T.A. Wigmore	(PH)
Nuclear Medicine	Dr. M.H. Malik	(PH)
	Dr. V. Trivedi	(PHC)
Obstetrics & Gynecology	Dr. S.V. Sood	(PH)
Pathology	Dr. E.C. Alport	(PH)
	Dr. M. Hayes	(PHC)
Pediatrics	Dr. O.R. Rivera	(PH)
Psychiatry	Dr. C.J. Messer	(PH)
Radiology	Dr. W. Brown	(PHC)
	Dr. N.G. Devitt	(PH)
Surgery	Dr. R.D.A. Cameron	(PHC)
	Dr. W.D. MacRae	(PH)
Chiefs of Sections/Services		
Cardiology, Director, Cath Lab	Dr. G. Garbe	(PHC)
Cardiology, Director, Non-Invasive Cardiac Electrodiagnostic Laboratories	Dr. N. Habib	(PHC)
Cardiology, Director, CSU/CCU	Dr. J. Hernandez	(PHC)
Cardiovascular Thoracic Surgery	Dr. E.F.G. Busse	(PHC)
Dental Surgery	Dr. G. Klopouschak	(PH)
General Surgery	Dr. D.S. Ahmed	(PH)
	Dr. R.D.A. Cameron	(PHC)
Neurology	Dr. C.P. Nair	(PHC)
Neurosurgery	Dr. K. Kumar	(PHC)
Ophthalmology	Dr. D.G.G. Ash	(PH)
Orthopedic Surgery	Dr. B. Bachynski	(PHC)
	Dr. J.R.S. Froggatt	(PH)
Otolarynology	Dr. F.J. Frederick	(PH)
Plastic Surgery	Dr. E. Alvarez	(PHC)
Rheumatology	Dr. N. Verdejo	(PHC)
Urology	Dr. R. Bridge	(PH)
	Dr. E. Tse	(PHC)

* at March 31, 1991
PH = Pasqua Hospital
PHC = Plains Health Centre

Financial Review

The financial statements of the South Saskatchewan Hospital Centre are prepared on a consolidated basis and reflect an operating surplus of $107,922. Additional information in regard to the operation of each division is shown below and in the unaudited schedules and reports attached to the consolidated financial statements.

	Pasqua	P.H.C.	S.S.H.C.
Revenue	$ 48,076,128	$ 42,434,493	$ 90,510,621
Expenses	47,977,887	42,424,812	90,402,699
Surplus from operations	$ 98,241	$ 9,681	$ 107,922

The successful operating results over the last number of years are a tribute to the efforts and dedication of all staff of the Centre. Department Heads deserve special mention for their ongoing attention to controlling expenditures and operating within budgets while continuing to provide quality health care to the people of Southern Saskatchewan.

John E. Allen, C.A.
Director of Finance

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of The South Saskatchewan Hospital Centre as at March 31, 1991 and the statements of equity in fixed assets, unappropriated equity, appropriated equity, operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

W. K. Strelioff

Regina, Saskatchewan
June 13, 1991

W.K. Strelioff, C.A.
Provincial Auditor

Balance Sheet

Statement I

As at March 31, 1991

(with comparative figures as at March 31, 1990)

	1991	1990
ASSETS		
Current:		
Cash on hand and in bank	$ 1,374,035	$ 719,792
Short term investments at cost which approximates market value	8,820,767	7,999,904
Accounts receivable Saskatchewan Health - H.S.B. (Note 8)	8,032,435	4,145,542
Accounts receivable - S.P.M.C.	477,831	1,154,707
Accounts receivable less allowance for doubtful accounts - (1991-$41,632; 1990-$34,446)	2,127,304	2,055,892
Inventories at cost	2,266,749	2,117,829
Prepaid expenses	345,360	313,592
TOTAL CURRENT ASSETS	23,444,481	18,507,258
Non-Current:		
Accounts receivable (Note 9)	350,835	491,575
Designated Hospital Revenue Tax Funds:		
Short term investments-at cost which approximates market value (Note 4)	3,971,066	3,456,049
Fixed:		
Building, equipment and leasehold improvements (Notes 1 (e) and 3)	68,870,387	68,215,846
	$ 96,636,769	$ 90,670,728
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued liabilities	$ 6,234,764	$ 6,561,595
Accrued vacation pay	4,025,970	3,846,157
Donations and patients' trust fund	1,861,860	1,010,725
Medical recruitment fund	360,600	345,600
Advances from Saskatchewan Health - H.S.B.	2,737,280	1,792,705
TOTAL CURRENT LIABILITIES	$ 15,220,474	$ 13,556,782
Equity:		
Equity in fixed assets - Statement 2	68,870,387	68,215,846
Unappropriated equity - Statement 3	7,769,545	5,218,043
Appropriated equity - Hospital Revenue Tax Funds - Statement 4	4,776,363	3,680,057
	81,416,295	77,113,946
	$ 96,636,769	$ 90,670,728

(See accompanying notes to the financial statements)

Statement of Equity in Fixed Assets

Statement II

Year ended March 31, 1991

(with comparative figures for the previous year)

	1991	1990
Balance, beginning of year	$ 68,215,846	$ 67,121,374
Fixed asset purchases during year	4,782,262	5,169,582
Depreciation	(4,070,572)	(4,050,328)
Net book value of assets sold	(57,149)	(24,782)
Balance, end of year - to Statement 1	$ 68,870,387	$ 68,215,846

(See accompanying notes to the financial statements)

Statement of unappropriated equity

Statement III

Year ended March 31, 1991

(with comparative figures for the previous year)

	1991	1990
Balance, beginning of year	$ 5,218,043	$ 2,557,294
Surplus from operations (Statement 5)	107,922	388,175
Surplus from ancillary operations (Note 1 (c) and 2)	2,398,038	1,757,701
Funds received for the purpose of acquiring building, equipment and leasehold improvements:		
Equipment grants from Saskatchewan Health - H.S.B. (Note 6 (a))	2,022,674	2,668,785
Construction financing received from the Saskatchewan Property Management Corporation (Note 6 (b))	1,862,797	1,918,258
Donations	824,998	907,938
Hospital Revenue Tax funds	81,322	168,639
Purchase of fixed assets	(4,782,262)	(5,169,582)
Proceeds from sale of equipment	36,013	20,835
Balance, end of year - to Statement 1	$ 7,769,545	$ 5,218,043

(See accompanying notes to the financial statements)

Statement of appropriated equity

(Hospital Revenue Tax Funds)

Statement IV

Year ended March 31, 1991

(with comparative figures for the previous year)

	1991	1990
Balance, beginning of year	$ 3,680,057	$ 2,656,420
Funds received under The Hospital Revenue Act	1,177,628	1,192,276
Funds used to acquire buildings, equipment and leasehold improvements	(81,322)	(168,639)
Balance, end of year (Note 1 (g) and 4) - to Statement 1	$ 4,776,363	$ 3,680,057

(See accompanying notes to the financial statements)

Statement of Operations

Statement V

Year ended March 31, 1991

(with comparative figures for the previous year)

	1991	1990
REVENUE:		
Inpatient service	$ 80,502,514	$ 75,656,677
Outpatient service	7,558,046	7,304,893
Other	2,450,061	2,485,839
Total Revenue	90,510,621	85,447,409
EXPENSES:		
Salaries, fringe benefits and other remuneration	65,122,016	60,474,457
Medical and surgical supplies and drugs	9,943,313	9,799,169
Maintenance and repair	2,270,438	2,208,496
Utilities	2,104,668	2,064,296
Laundry	1,943,840	1,961,747
Food	1,495,233	1,421,679
Other	7,523,191	7,129,390
Total Expenses	90,402,699	85,059,234
Surplus from operations	$ 107,922	$ 388,175

(See accompanying notes to the financial statements)

Statement of Changes in Financial Position

Statement VI

Year ended March 31, 1991

(with comparative figures for the previous year)

	1991	1990
Cash provided by (used in) operating activities:		
Surplus from operations (Statement 5)	$ 107,922	$ 388,175
Surplus from ancillary operations (Note 2)	2,398,038	1,757,701
Net change in non-cash working capital (Note 7)	(1,140,005)	1,089,894
Cash provided by operating activities	1,365,955	3,235,770
Cash provided by (used in) investment activities:		
Designated hospital revenue investments - net	(515,017)	(1,427,436)
Capital expenditures	(5,427,207)	(4,163,815)
Proceeds on disposal of fixed assets	36,013	20,835
Accounts receivable - non-current portion	140,740	(491,575)
Supplier advance - non-current portion	——	170,000
Cash used in investment activities	(5,765,471)	(5,891,991)
Cash provided by (used in) financing activities:		
Capital funding from:		
Saskatchewan Health - H.S.B.	1,979,335	3,277,290
Saskatchewan Property Management Corporation	2,539,673	1,115,294
The Hospital Revenue Act	1,177,628	1,192,276
Other	177,986	154,500
Cash provided by financing activities	5,874,622	5,739,360
Net increase in cash and short-term investments during the year	1,475,106	3,083,130
Cash and short-term investments, beginning of year	8,719,696	5,636,557
Cash and short-term investments, end of year	$ 10,194,802	$ 8,719,696

(See accompanying notes to the financial statements)

Notes to the Financial Statements

March 31, 1991

1. ACCOUNTING POLICIES

These financial statements are prepared in accordance with the following accounting policies which are considered appropriate for organizations of this type:

(a) Accrual Accounting

The South Saskatchewan Hospital Centre follows the accrual method of accounting, except where stated in the following policies.

(b) Revenue

Provincial operating grant revenue is recorded on an accrual basis. Estimated surpluses (deficits) are recorded as repayable (receivable) in accordance with the funding policy applicable to each fiscal year as determined by Saskatchewan Health - Hospital Services Branch (H.S.B.). Adjustments to estimated surpluses or deficits, as determined in the annual settlement review by H.S.B., are accounted for as adjustments to Inpatient service revenue in the year that they are determined.

(c) Ancillary Revenue

Ancillary operations are shown in the Statement of Unappropriated Equity. This is done to reflect only the operating activities of The South Saskatchewan Hospital Centre in the Statement of Operations.

(d) Inventories

Inventories are valued at cost, determined on the first in, first out basis.

(e) Fixed Assets

Fixed assets are initially recorded at cost. Normal maintenance and repairs are expensed as they are incurred.

Depreciation is calculated on the straight-line basis. The leasehold improvements of the Pasqua Hospital are amortized over the remaining life of the lease. The building costs of the Plains Health Centre are depreciated at 2.5 percent per annum. Equipment is generally depreciated in accordance with procedures set out in the Canadian Hospital Accounting Manual.

The acquisition of fixed assets of the Centre is partially funded through government grants. Since these grants are of a non-operating nature, they are not included in the Statement of Operations but are recorded directly in the Statement of Unappropriated Equity. A provision for depreciation, therefore, does not appear in the Statement of Operations but is charged to Equity In Fixed Assets to reflect the decrease in the unamortized cost of the fixed assets.

(f) Accrued Vacation Pay

Current global funding practice recognizes the cost of vacation pay on a cash basis as opposed to an accrual basis (i.e. when the vacation is actually taken). The Centre has adopted the accounting policy of recording accrued vacation pay for all staff and

a corresponding amount of income from Saskatchewan Health - H.S.B. in the year in which the vacation leave and income are earned rather than the year the vacation leave and income are paid.

(g) Hospital Revenue Act

Under The Hospital Revenue Act, the City of Regina provides funding to the Centre. One half of these funds are initially classified as "frozen" since the approval of the Minister of Health is required before expenditures can be made.

(h) Donations

Donations are recorded as deferred revenue (Donations and Patients Trust Funds) when cash is received or receivable. Amounts are transferred from deferred revenue to equity in fixed assets as expenditures are made.

2. ANCILLARY OPERATIONS

Saskatchewan Health - H.S.B. permits Hospitals to retain net income earned from non-operating activities.

	1991	1990
Revenue		
Ancillary operations	$ 1,179,707	$ 1,027,903
Investment Income	1,524,804	967,234
	2,704,511	1,995,137
Expenses	306,473	237,436
Surplus	$ 2,398,038	$ 1,757,701

3. BUILDING, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	1991			1990
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Pasqua Hospital				
- construction in progress	$ 3,602,822	$ ———	$ 3,602,822	$ 1,880,265
- building construction and leasehold improvements subsequent to Sept. 1, 1972	52,997,590	10,073,959	42,923,631	44,230,596
- equipment	18,549,134	12,281,408	6,267,726	6,563,646
Plains Health Centre				
- construction in progress	304,154	———	304,154	317,068
- building	15,849,873	6,430,311	9,419,562	9,677,249
- equipment	16,080,877	9,728,385	6,352,492	5,547,022
	$ 107,384,450	$ 38,514,063	$ 68,870,387	$ 68,215,846

The Board of Governors of The South Saskatchewan Hospital Centre has leased the Pasqua Hospital from the Saskatchewan Property Management Corporation for a term of thirty-three years beginning September 1, 1972, for a nominal rental of $1 per year.

4. HOSPITAL REVENUE TAX FUNDS

At March 31, 1991, the balance of the Hospital Revenue Tax funds amounted to $4,776,363 (1990 - $3,680,057). Included in this amount is $3,971,066 (1990 - $3,456,049) which is designated as follows:

(a) $2,307,176 (1990 - $1,710,837) which requires Minister of Health approval prior to being spent.

(b) $1,663,890 (1990 - $1,745,212) for the implementation of Hospital Information Systems out of a total of $2,000,000 committed for this project.

5. COMMITMENTS

At March 31, 1991, the Centre had fixed asset commitments of $5,461,488 (1990 - $2,774,038).

6. OPERATING, EQUIPMENT AND CAPITAL CONSTRUCTION FUNDING

(a) Operating and Equipment Grants

Saskatchewan Health - Hospital Services Branch provides operating and equipment grants to the Centre. During the year ended March 31, 1991, operating grants totalled $85,776,383 (1990 - $80,874,370) and equipment grants totalled $2,022,674 (1990 - $2,668,785).

(b) Capital Construction Funds

Funding for capital projects is arranged through agreements with the Saskatchewan Property Management Corporation (S.P.M.C.) and Saskatchewan Health. Under the terms of the agreements, the repayment requirements of the obligations and the interest rate applicable to the funding received are as determined from time to time by the Minister of Finance. The agreement states that the obligation of the Centre is limited to an amount equal to the funds received from Saskatchewan Health for this repayment purpose and also provides for the repayment of these funds by Saskatchewan Health directly to S.P.M.C. on behalf of the Centre. Due to the nature of this agreement, no liability is recorded in the financial statements of the Centre. Loan proceeds from S.P.M.C. are recorded as capital grants in the year in which they are received/receivable.

During the year ended March 31, 1991, capital construction funds received totalled $1,862,797 (1990 - $1,918,258). The balance of loans outstanding including accrued interest with respect to this financing arrangement at March 31, 1991 was $8,861,495 (March 31, 1990 - $6,832,542).

7. NET CHANGE IN NON-CASH WORKING CAPITAL

	1991	1990
Accounts receivable	$ (3,267,954)	$ (621,035)
Inventories	(148,920)	99,240
Prepaid expenses	(31,768)	(52,566)
Supplier advance - current portion	———	80,000
Accounts payable and accrued liabilities	318,114	773,153
Accrued vacation pay	179,813	383,438
Donations and trust fund	851,135	(56,715)
Medical recruitment fund	15,000	1,349
Advances from Saskatchewan Health - H.S.B.	944,575	483,030
	$ (1,140,005)	$ 1,089,894

8. ACCOUNTS RECEIVABLE SASKATCHEWAN HEALTH - H.S.B.

	1991	1990
Vacation pay accrual	$ 4,025,970	$ 3,846,157
Operating expenditures	130,650	164,266
Inpatient and outpatient operating grant revenue	3,562,315	———
Medical recruitment fund	313,500	135,119
	$ 8,032,435	$ 4,145,542

9. ACCOUNTS RECEIVABLE

The South Saskatchewan Hospital Centre provided staff with the opportunity to purchase computer equipment and software by offering three year interest free loans to employees. Under this arrangement, promissory notes, payable upon demand, totalling $667,926 are outstanding from 255 employees who were given the option to repay the outstanding amount by 78 equal bi-weekly deductions from payroll.

10. RELATED PARTY TRANSACTIONS

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Crown-controlled hospitals, departments, agencies and corporations with which the Centre is related.

Account balances resulting from these transactions are included in the Balance Sheet and are settled on normal trade terms.

Other amounts owing to related parties and their terms of settlement are described separately in the financial statements and notes thereto.

Notes to the Financial Statements

March 31, 1991

11. PENSION PLAN

Employees of the Centre participate in the Saskatchewan Health-Care Association Retirement Plan which is a multi-employer defined benefit pension plan. The Centre participates in the plan on a defined contribution basis whereby it contributes to the plan a fixed amount proportional to the amount contributed by the employees. The amount of these contributions during the year was $1,870,013 (1990 - $1,720,900) and is included in Salaries, fringe benefits and other remuneration.

12. INCORPORATION

The South Saskatchewan Hospital Centre is continued under The South Saskatchewan Hospital Centre Act.

South Saskatchewan Hospital Centre – Division Operations

The following information is unaudited and is not covered by the Auditor's Report which immediately precedes the Balance Sheet. This additional information is presented in regard to the operations of each Division within The South Saskatchewan Hospital Centre.

Pasqua Hospital

Year ended March 31, 1991
(Unaudited)

	1991	1990
REVENUE		
Inpatient service	$ 41,504,332	$ 39,087,380
Outpatient service	5,034,223	4,834,844
Other	1,537,573	1,597,354
Total Revenue	48,076,128	45,519,578
EXPENSES		
Salaries, fringe benefits and other remuneration	35,907,402	33,343,353
Medical and surgical supplies and drugs	4,329,099	4,318,211
Maintenance and repair	1,182,469	1,245,202
Utilities	1,262,897	1,246,011
Laundry	1,116,858	1,118,732
Food	778,627	780,270
Other	3,400,535	3,219,133
Total Expenses	47,977,887	45,270,912
SURPLUS FROM OPERATIONS	$ 98,241	$ 248,666

Plains Health Centre

Year ended March 31, 1991
(Unaudited)

REVENUE		
Inpatient Service	$ 38,998,182	$ 36,569,297
Outpatient Service	2,523,823	2,470,049
Other	912,488	888,485
Total Revenue	42,434,493	39,927,831
EXPENSES		
Salaries, fringe benefits and other remuneration	29,214,614	27,131,104
Medical and surgical supplies and drugs	5,614,214	5,480,958
Maintenance and repair	1,087,969	963,294
Utilities	841,771	818,285
Laundry	826,982	843,015
Food	716,606	641,409
Other	4,122,656	3,910,257
Total Expenses	42,424,812	39,788,322
SURPLUS FROM OPERATIONS	$ 9,681	$ 139,509

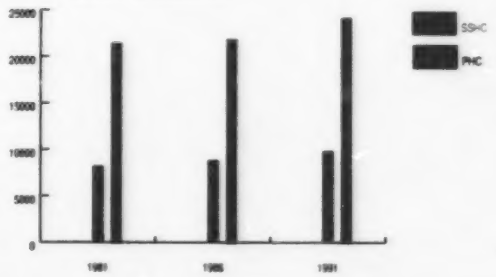
South Saskatchewan Hospital Centre – Statistical Reports

Year ended March 31, 1991 (with comparative figures for the previous year)

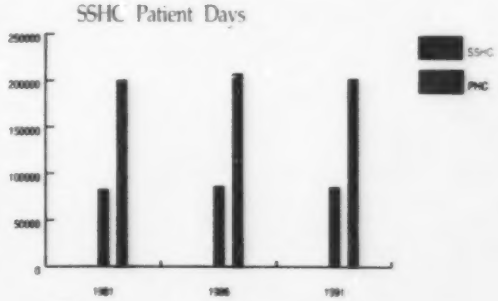
	1991	1990
PASQUA HOSPITAL		
Admissions	14,473	14,733
Patient Days	117,761	123,913
Average Daily Census	322.63	339.49
Average Days Stay	9.98	7.96
Newborn Admissions	1,431	1,445
Newborn Days	5,979	6,337
Average Days Stay - Newborn	4.18	4.37
Delivery Room Cases	1,411	1,438
Operating Room - Surgery Cases	10,717	10,684
Day Surgery	8,695	8,048
Emergency Visits	64,479	62,457
Ophthalmology - Visits	9,951	8,628
Laboratory - Units	4,445,381	4,573,156
Radiology - Examinations	64,524	63,368
C.T. Scanner - Examinations	4,478	4,449
Cytology - Units	1,321,227	1,369,398
Diagnostic Laboratory - Units	932,239	806,696
Nuclear Medicine - Procedures	5,455	6,129
Respiratory Therapy - Visits	6,541	2,926
Physical Therapy - Visits	23,019	24,091
Meal Days	170,237	178,817
Laundry Pounds	1,965,282	2,053,065

	1991	1990
PLAINS HEALTH CENTRE		
Admissions	9,827	10,199
Patient Days	85,693	86,881
Average Days Stay	8.66	8.52
Average Daily Census	234.78	238.03
Operating Room - Surgery Cases	5,744	5,695
Day Surgery	3,110	2,567
Emergency Visits	27,218	27,741
Family Medicine Teaching Unit - Visits	15,989	14,575
Ambulatory Care - Visits	1,642	1,713
Laboratory Units	3,377,209	3,121,641
Radiology - Examinations	47,292	46,723
Diagnostic Laboratory - Units	1,310,822	1,379,738
Cardiac Catheterization Laboratory - Procedures	1,314	1,317
Nuclear Medicine - Procedures	2,006	2,817
C.T. Scanner - Examinations	6,796	6,822
Respiratory Therapy - Visits	30,849	31,740
Physical Therapy - Visits	24,029	24,304
Occupational Therapy - Visits	2,725	2,040
Meal Days	131,229	133,031
Laundry Pounds	1,456,598	1,545,923

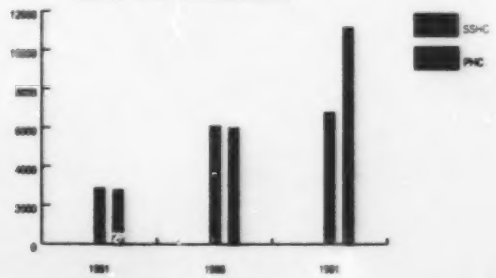
SSHC Admissions



SSHC Patient Days



SSHC C.T. Examinations



SSHC Emergency Room Visits